GOVERNMENT OF INDIA
URBAN DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:3496
ANSWERED ON:07.12.2016
Financial Assistance to Municipalities
Patel Shri Devji Mansingram

Will the Minister of URBAN DEVELOPMENT be pleased to state:

Will the Minister of URBAN DEVELOPMENT be pleased to state:-

(a) whether the Government proposes to provide financial assistance for attaining financial autonomy to municipalities and if so, the details thereof;

(b) whether most of the earnings of municipalities is spent on providing salaries;

(c) if so, the efforts being made by the Government to arrange funds for development works;

(d) whether the Government proposes to give share in Goods and Service Tax (GST) to municipalities; and

(e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN
THE MINISTRY OF URBAN DEVELOPMENT
(RAO INDERJIT SINGH)

(a): Urban Development is a State subject and Government of India supports the efforts of State Governments by providing financial & technical assistance through various programmes & schemes. The Constitution Seventy-Fourth Amendment Act also mandates municipalities with such powers and authority as may be necessary to enable them to function as institutions of self-government. This includes devolution of powers to municipalities vis-Ã -vis, functions, functionaries and funds. Further, the Government has accepted the recommendations of 14th Finance Commission for providing Rs. 87,143.80 crores as grants to municipalities for basic services for the period 2015-2020.

(b)&(c): In a number of municipalities, a large portion of earning is spent in payments of salaries and wages. Urban Development is a State subject. The Government also supports the efforts of State Governments by providing financial & technical assistance through its schemes and programmes.

(d)&(e): No, Madam. There is no such proposal under consideration at present.

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